

advanced out of the Revenue Committee with some committee amendments. Senator Miller has passed out to you a handout, as have I, explaining what 1105 does do to our homestead exemption and its impact upon the state. It also explains what happens, in both cases, what happens if we have no 1105 in any form, what the impacts are on the state. I have no quarrel with what Senator Miller has passed out. As a matter of fact, he may have summarized the amendment that we offer better than I did with mine, although they both agree. The committee amendments or the final form of 1105 is suggesting that the homestead exemption will apply to people that have incomes of \$10,400 or less.

PRESIDENT: (Gavel.) Please, let's hold it down so that we may hear the speaker, please. Senator Hannibal.

SENATOR HANNIBAL: I'll repeat, the final form of 1105 is allowing a homestead exemption to low income, elderly and handicapped and disabled veterans with income levels, and we'll talk about low income elderly at this point, of incomes of \$10,400 or less. This is a significant change from past years because we had a sliding scale income for exemption from \$8,600 to \$10,600. Because of changes in federal tax law, no income people that make less than \$10,100 a year are required to file income tax returns. I'm going to be talking on joint filing people at this point. Nobody under \$10,100 is required to file an income tax return this year if you're married and filing jointly, Senator Chambers. So, what 1105 did was try to correct our existing laws by saying since we have no way of knowing what incomes are between 8,600 and \$10,100 because there are no income tax returns filed, we need to give 100 percent exemption to all incomes at least under \$10,100, whereas previously we had been giving a portion of the 100 percent exemption. The committee amendment then went one step further and took that number up to \$10,400 in anticipation of indexing which will be going on on the federal level which would say in two or three years nobody under \$10,400 will be required to file an income tax return. So what we have with 1105 is a one-time, one-point, 100 percent exemption. If you make less than \$10,400, you will get 100 percent exemption on your property tax up to \$35,000 of value. Absolute dollars, we're talking somewhere between 700 and \$900 depending upon levies. What this amendment will do is reinsert a sliding scale because under the present form of the bill if you make \$1.00 over \$11,400 (sic) you get zero percent exemption. One dollar under 10,400 you get 100 percent exemption, one dollar over 10,400 you get zero. I don't think